

Invest in Med:
develop FDI &
trade flows
into the

Invest  In Med

Mediterranean

Euromed Industrial Co-operation
Brussels, 18 April 2008



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Objectives

- To develop FDI and trade flows into the Mediterranean region
 - by making the Mediterranean site an attractive and safe destination for business
- To develop sustainable co-investment and partnerships on the two Mediterranean banks
 - Euro-Med enterprises working in south-north or south-south synergy
- To implement a new model of co-operative economic work and networking
 - between EU and Mediterranean public or private organisations
 - + all stakeholders concerned by business development

The programme

- Call reserved to public organisations in Euromed countries
 - Such as CCIs, IPAs, business organisations etc.
 - Associates possible (cannot recover manpower costs)
 - Private sub-contractors possible
- Amount provided by the EC: € 9 million
 - 75 % in our case
- Amount supplied by the consortium and the operators: € 3 million (25 %)
- Total eligible cost of the action € 12 million
- Duration: 36 months (until May 2011)

Our consortium

● Partners

- ANIMA Investment Network (leader / provides the base team)
- UMCE/Business MED (chairs the Board / also includes major Business Europe federations)
- EUROCHAMBRES (chairs the executive committee)
- +ASCAME (seats in executive committee)
- & all their level 1 members (IPAs, CCIs, BROs, as sub-partners, eligible for the action)

● Special partners, supporting /co-financing the project

- UNIDO, GTZ (Germany), Euroméditerranée (representing several supporting authorities, Southern France)
- Associates: World Bank, ICE (Italy), Tubisad (Turkey)

● 50 + supporting partners

- Major IPAs or CCIs. Networks such as EBN, INSME, Afaemme, Medinnov, CEDITH, Euromed school networks...

Target groups

- Enterprises (SMEs, transnational companies, investors, funds etc.)
- Public & private intermediate organisations active in FDI & trade development (IPAs, CCIs, BROs, NGOs, entrepreneurs' groups)
- Government and public bodies (Ministries, agencies, universities, technoparks, etc.)
- Final beneficiaries
 - The global societies: Med people need "delivery" and jobs
 - Entrepreneurs: need a safer investment & trade framework
 - Minorities & especially women, young graduates, diasporas

Main activities

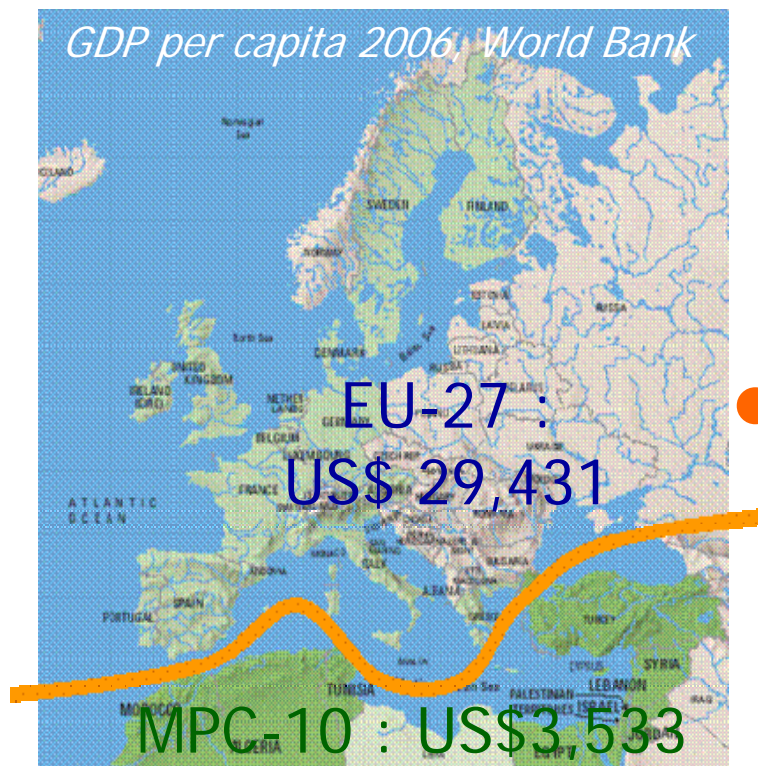
A support hub for SME co-operation projects & investment generation	A catalyst for initiatives, exchanges and fora	A coaching /training academy on competitiveness & FDI after-care ³	A major media player, conveying a positive industrial image of the Mediterranean	A Mediterranean resource centre & policy watchdog
<p>Brokerage events (almost two per month) organised in the priority sectors identified:</p> <ul style="list-style-type: none"> ▪ Sector-based BtoB meetings for SMEs (60) ▪ Institutional matchmaking or networking events for BROs (21) ▪ Thematic regional and sub-regional investment best practice workshops (15) <p>Follow-up</p> <ul style="list-style-type: none"> ▪ Post-meeting accompaniment and impact ▪ Post-training seminars, evaluation 	<p>Demo. projects or support to initiatives</p> <ul style="list-style-type: none"> ▪ Staff exchanges (60) between EU and Med BROs ▪ MED-Alliance business club <p>Thematic Euro-Med fora (agribusiness, tourism, franchise, migrations...)</p> <ul style="list-style-type: none"> ▪ Fora dedicated to young entrepreneurs, women, expatriates (11) <p>Investment & trade events in countries (cf. Invest in Egypt, Carthage Forum)</p> <ul style="list-style-type: none"> ▪ MED-Invest conferences (4) ▪ Participation / presence in other Euromed conferences and fairs 	<p>MED-Academy (incl. a diploma) & instructor training</p> <ul style="list-style-type: none"> ▪ Training sessions (18) on investment promotion and investment aftercare (incl. case studies, toolkit) ▪ Distant learning via intranet (6 modules) and resource centre <p>Technical assistance missions</p> <ul style="list-style-type: none"> ▪ Expert missions (40) on (a) capacity building, (b) investment attraction and aftercare services and (c) other initiatives 	<p>Better positioning and marketing (MEDA competitive advantages)</p> <ul style="list-style-type: none"> ▪ Observatories on FDI, business news, companies and deals (4) ▪ Monitoring process (impact of the whole action plan) <p>Well-referenced web site, linked to national sites</p> <ul style="list-style-type: none"> ▪ Multi-partner web site and BtoB market place ▪ Intranet & other networking (directory, quarterly e-bulletin) <p>Modern communication (awards, events, RSS, PR, branding, video clips)</p> <ul style="list-style-type: none"> ▪ Image strategy and tools ▪ Partnership and sponsoring of specific campaigns 	<p>Strategic sector studies</p> <ul style="list-style-type: none"> ▪ Sector strategies (9) <p>SME of investor guides with practical info</p> <ul style="list-style-type: none"> ▪ Guidebooks and surveys (15) ▪ Servicing of investors, companies and partners (permanent) <p>Business and investment climate</p> <ul style="list-style-type: none"> ▪ Yearly guidelines & scoreboard on reforms, co-development results, women empowerment (3)
Investments and partnerships	Business community building	Training & technical assistance	Information and result dissemination	Mediterranean resource centre

4 main outputs

- **MED-Networking:** a total of 100 field events over 3 years
 - 60 BtoB events, 35 BRO matchmakings, 4 conferences
 - Best practice workshops creating business opportunities
- **MED-Assistance:** 110 field operations
 - 40 support missions (permanent desk open to initiatives)
 - 70 staff exchanges (50 short and 20 one-year secondments)
- **MED-Academy:** 21 modules
 - 15 one-week instructor workshops with a graduating cursus
 - 6 e-homework and remote training modules
- **MED-Resource Centre:** 35 desk operations
 - 24 guide books and sector surveys, 4 major observatories (FDI, BtoB deals, news, companies), 3 annual reports with result assessment, 3 *BaroMed* scoreboard and guidelines
 - 1 on-line resource centre and extranet

The economic picture

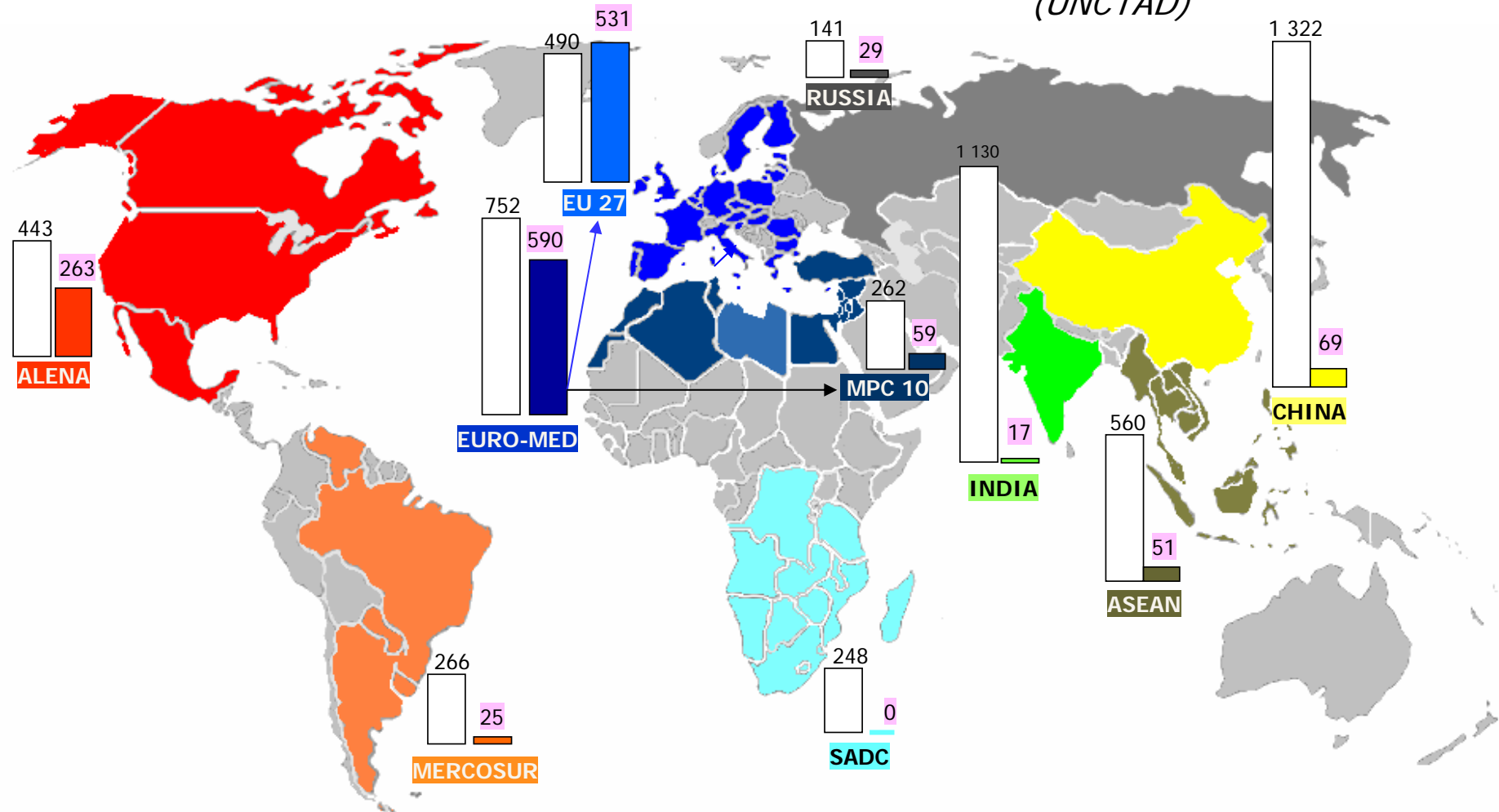
- The Mediterranean is often defined by its North-South economic divide (though things are changing!)
- Northern rim of the Mediterranean
 - Old countries, comfortable income per capita (10 times higher than in South), limited growth, industry losing momentum, post-industrial society centred on *qualitative* issues
- Southern rim
 - Young countries, needed (and actual) strong growth, industrial and service capabilities, pressure of *quantitative* issues -unemployment, infrastructure, basic services to the population



Let's awake the economic giant!

- Compared to other global economic blocks, the Euro-Med area is an ignored giant...
 - A combined GDP of USD 15.4 trillion in 2006 equivalent to that of ALENA (15.3 trillion) and much higher than Asian GDP (9 trillion for China+India+Japan +ASEAN)
 - Southern ENPI countries represent almost one trillion USD: GDP growth (5% in recent years) and declining birth rate
- The economic mood is improving!
 - Both in oil countries (e. g. Algeria) and in more diversified economies (e. g. Egypt, Turkey, Morocco, Israel, etc.).
 - FDI is booming. Investors are back
 - Major infrastructure projects are developing in all countries
 - Well-educated, computer and Internet-literate, the young generation (the 20-35 years old) is often a gold mine

Euro-Med attracts 45% of world FDI



Main industrial gaps in the Mediterranean

- The situation of Med countries is still difficult
 - Weak industrial fabric
 - Productive system characterised mainly by small enterprises
 - Strong specialisation in low and mid-tech sectors, such as agrofood, textile and clothing, footwear, furniture, mechanics and capital goods
 - Except energy, petrochemicals, minerals, agrobusiness, real estate, tourism and some new sectors (ICT, off-shoring), industry is lacking depth, integration and international size
 - Few world-level metropolitan industrial clusters -Tanger Med, Arzew, Southern Tunis, Alexandria, Istanbul

Weak private business in the global world

- Few international companies
 - Orascom, hydrocarbons, construction holdings
- Obstacles in enterprise/SME development
 - Infrastructure, financing, trade barriers, red tape, poor internet service
 - Limited entrepreneurship, university-industry relationship
 - The formal sector is often a minority employer
- Companies dominated by foreign partners /competitors
 - Mainly sub-contractors or assemblers
 - Absence from the most strategic segments of the value chain (branding, design, organisation of work, marketing, logistics, R&D, distribution etc.)

Result: a limited position in world trade

- 2.6% of exports, vs. 4% of population –and this percentage includes energy
- With the notable exception of Algeria, high imbalance between imports (covered at 78%) and exports
- Fairly modest intra-Southern ENPI trade (4.5% of imports/ 6.2% exports, to be compared with 45/49% with EU)

Type of answers sought

- To climb up the value ladder, or capture more value generated along the chain, there is no other choice than excellence, innovation and internationalisation
- *FDI* is the 1st **Invest in Med** challenge
 - Transfer of know-how, injection of capital, driver for reforms, creation of employment and wealth
- The *internationalisation* of MPCs enterprises, and particularly SMEs, is the 2nd challenge
 - SMEs need to find partners, opportunities and medium term perspectives in order to become leaders
 - They have to work 'international' (accounting, reporting etc.)
- The 3rd challenge is *cultural*
 - Put entrepreneurship and business development at the front place

Technical approach (tbc.)

- Choice of sectors & sub-sectors ('filières' or niches) with high potential for MED-added value

- Eg. in agribusiness

- Organic agriculture
- Cereals
- Horticulture
- Med produces (olive oil)
- Catering (tourism, airlines)
- Processed food
- Fisheries etc.

+

Transversal issues

- Privatisation/concession
- Access for newcomers (foreign, youth, women...)
- Franchising
- Branding, image
- Access to finance etc.

- Invest in Med strategy + brief (request for initiatives)
- Any sub-partner of any country (or group) may show interest
- By *filière*, a leader will be chosen
- Use of the whole set of **I'nMed** instruments
 - Small surveys, workshops, tech. assistance, staff exchanges etc.
- Depending on feedback
 - Pilot project, then generalisation/enlargement -or stop
 - Invest in Med hopes to deal with 8-10 sectors and 30-80 'niches'

Questions to be solved

- A decentralised /participative approach
- We want to mobilise actors from the South and develop ownership & accountability
- Some difficult issues
 - Choice of priority sectors, beyond ICT, textile, agribusiness and mechanical/electric industry
 - Process and choice of partners for sector work (show of interest, then delegation for operations)
 - Who should be invited (Southern participants from public sector? Speakers?)
 - Can we imagine a system in which even public organisations from the South contribute financially? (so that the programme has a *value*)

2008 planning (tbc. /indicative nb. of events)

<i>Instrument</i>	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
1-1 B2B small		Prep.	Prep.	Mol		1	1	1
1-1 B2B Medium	Prep.	Prep.	Mol				1	
1-1 B2B large		Wplan	Prep.	Prep.	Prep.	1		1
1-4 Workshop BRO	Prep.	Prep.	Mol					1
1-5 BRO Academy				Prep.	Prep.	1		
1-6 Individual staff exchange		Prep.	Mol		1	2	2	2
1-7 Secondments	Prep.	Prep.			2	1	1	1
1-8 FDI Workshops	Wplan	Prep.	Prep.		1		1	
2-1 Annual conference	Wplan	Prep.	1					
3-1 Tech. Assistance		Prep.	Prep.	Prep.	Mol	1	1	1
4-1 Training trainers	Wplan		Prep.	Prep.		1	1	
4-2 Distant learning	Wplan			Prep.	Prep.	Prep.		1
5-1 Website	1	1	1	1	1	1	1	1
5-2 Intranet and newsletter	1	1	1	1	1	1	1	1
5-3 Databases		Wplan	Prep.	0.1	0.2	0.2	0.1	0.2
5-4 Programme sustainability					Wplan	Prep.	Prep.	Prep.
5-5 Image Strategy				Wplan	Prep.			
6-1 Sector strategies	Wplan	Prep.	1		1	1	1	1
6-2 Guidebooks/ Studies		Wplan	Prep.		1		1	
6-3 Scoreboard, guidelines					Wplan	Prep.	Prep.	

Tentative planning...

- July 2007: call
- November 2007: deadline for proposals
- 18 April 2008: [Invest in Med](#) contract signature
- April-June 2008: team hired
- May-Early June 2008: consortium meeting, Brussels (executive committee/Eurochambres)
- June-September: 1st upstream studies (strategies)
- (tbc.) 1-2 July 2008: launch conference, Marseille (just before the MedBusiness Days, UMCE-MEDEF)
- (tbc.) October 2008: [Invest in Med](#) Board, Tunis
- October 2008: 1st field events, everywhere...

Expected results: a *catalyst* to mobilise and empower all the forces willing to move

● Direct impact

- Regional co-operation strategies in priority sectors & pro-active niche approach (from R&D off-shoring to medicalised tourism)
- Several initiatives or pilot projects
- Creation of a Euro-Med public-private pro-business community
- 5,000 company participants helped in their internationalisation strategy (investment abroad, JVs, partners, business facilitation, access to networks and finance)
- 300 IPAs, CCIs, BROs involved in 1,200 events / 1,000 staffs trained
- 1,100 FDI, co-development or partnership projects monitored /year
- A permanent desk to answer & dispatch queries (resource centre)

● Indirect impact

- Reforms and improved investment and business conditions
- Strong change in the economic and industrial image - high profile events, the Invest in Med web site and communication campaigns
- Dissemination of models & success stories (pilots, awards, case st.)
- Investment and trade generation

Thank you / Contact us



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